

**CLOSING AGREEMENT ON FINAL DETERMINATION
COVERING SPECIFIC MATTERS**

Under section 7121 of the Internal Revenue Code of 1986, as amended (the "Code"), Leon County, FL (the "Issuer"), Southeastern Community Blood Center (the "conduit borrower") and the Commissioner of Internal Revenue (the "Commissioner" or "IRS") make this closing agreement (the "Agreement").

WHEREAS, the parties have determined the following facts and made the following legal conclusions and representations:

- A. This Agreement is in settlement of issues involving the Issuer in a request for a closing agreement pertaining to the \$1,981,875.00 Series 1995A bonds issued as a part of the \$2,481,875 Leon County, Florida Health Facilities Revenue Bonds (Southeastern Community Blood Center Project) (the "Bonds"). The Bonds were issued as qualified 501(c)(3) bonds under section 145 of the Internal Revenue Code of 1986, as amended (the "Code"). The proceeds of the Bond were used for the purpose of refunding two taxable loans. The proceeds of the taxable bonds were used to finance the cost of constructing and furnishing a building for the collection of blood located at 1731 Riggins Road, Tallahassee Florida ("the project").
- B. This Agreement is not based upon an examination of the Bonds by the IRS and does not preclude or impede an examination of the Issuer, any holders of the Bonds, or the Bonds by the IRS with respect to matters not addressed in this Agreement.
- C. The IRS has not formally asserted any claims against the Issuer, or sought to tax any holders of the Bonds on interest income on the Bonds.
- D. The terms of this Agreement were reached following negotiations and may differ from the terms of settlement of other bond issues examined or to be examined by the IRS.
- E. This Agreement is for the benefit of the past, present, and future registered and beneficial owners of the Bonds (collectively, the "Bondholders").

- F. On June 1, 1997, Southeastern Community Blood Center (the "conduit borrower") , an organization described in section 501(c)(3), entered into a lease for a portion of the Project to Family Physician Associates, P.A., a group of family practice physicians who used the leased space as a lab for testing blood and other samples of their patients. At the time the space was leased the conduit borrower's employees and board members were not aware that the lease would constitute a violation of the Bond covenants or adversely affect the tax-exempt status of the bonds. The violation was not discovered until December, 2002. Counsel immediately contacted the Internal Revenue Service in order to determine appropriate corrective action. On February 28, 2003 the lessee vacated the premises.

NOW IT IS HEREBY DETERMINED AND AGREED PURSUANT TO THIS AGREEMENT EXECUTED BY THE PARTIES HERETO UNDER SECTION 7121 OF THE CODE THAT FOR FEDERAL INCOME TAX PURPOSES.

1. The conduit borrower shall, simultaneously with mutual execution and delivery of this Agreement, in duplicate counterparts, by the parties hereto, pay \$24,614.45 to the U.S. Treasury (the "Settlement Amount") on behalf of the issuer.. Delivery of this Agreement and the check shall be accomplished upon, but not before, receipt by the IRS of three copies of the Agreement executed by the Issuer and a check in the Settlement Amount, and the IRS has executed the Agreement, provided a facsimile copy of the fully executed Agreement to counsel for Issuer, and received confirmation of receipt by such counsel by telephone or e-mail. The date on which this Agreement so takes effect shall be inserted as the date of the Agreement on each counterpart, and an original executed copy shall be provided to each party.
2. The Bondholders are not required to include in their gross income any interest on the Bonds because of the violations set forth herein.
3. Notwithstanding anything to the contrary contained herein, the IRS may take any appropriate action with respect to the Bonds, including taxing the Bondholders on interest earned on the Bonds for violations other than those set forth herein.
4. No income shall be recognized by any Bondholder as a result of this Agreement or any payments made pursuant to this Agreement.
5. The amount paid pursuant to this Agreement is not refundable, or subject to credit or offset under any circumstances.
6. Neither party to this Agreement shall endeavor by litigation or other means to attack the validity of this Agreement.
7. This Agreement shall not be cited or relied upon by any person or entity whatsoever as precedent in the disposition of any other case.

8. The Issuer hereby consents to disclosure by the IRS of information concerning the existence and subject matter of this Agreement to Members of Congress, the press and the general public:

- a. in the event of a default by the Issuer on any term in the Agreement; or
- b. to the extent the IRS deems necessary to correct any material misstatement with respect to this Agreement in response to a public statement by the Issuer or an agent of the Issuer.

9. This Agreement is final and conclusive except that--

- a. The matter it relates to may be reopened in the event of fraud, malfeasance, or misrepresentation of a material fact.
- b. It is subject to the sections of the Code that expressly provide that effect be given to their provisions (including any stated exceptions for section 7122) notwithstanding any other law or rule of law; and
- c. If it relates to tax periods ending after the effective date of this Agreement, it is subject to any law, enacted after this Agreement date, that applies to that tax period.

By signing, the above parties certify that they have read and agreed to the terms of this Agreement.

Dated this _____ day of _____, 2003.

LEON COUNTY, FLORIDA

BY: _____
Tony Grippa, Chairman
Board of County Commissioners
Date: _____

ATTESTED TO:

BOB INZER
CLERK OF THE COURT

APPROVED AS TO FORM:

COUNTY ATTORNEY'S OFFICE
LEON COUNTY, FLORIDA

BY: _____
BOB INZER
CLERK OF THE COURT

BY: _____
HERBERT W.A. THIELE, ESQ.
COUNTY ATTORNEY

SOUTHEASTERN COMMUNITY
BLOOD CENTER

BY: _____

Signature

Title: _____

TIN# _____

Date: _____

COMMISSIONER OF INTERNAL
REVENUE

BY: _____

Title: Manager, Outreach, Planning & Review

Date: _____

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